

Kentucky Agricultural Finance Corporation

Minutes of the March Meeting

The meeting of the Kentucky Agricultural Finance Corporation Board was held on Friday, March 2, 2007 at 10:00 AM EST at the Transportation Conference Center in Frankfort, Kentucky. Michael Judge, presiding, called the meeting to order. Mr. Judge then asked Nicole Ray, Secretary, to call the roll.

Members Present

Commissioner Farmer (Michael Judge, designee), Bob Gaslin, Wayne Hunt, Larry Jagers, Doug Lawson, James Reams, Frank Penn, Bob Proffitt, Annette Crawford Walters

Members Absent

Secretary Farris, Billy Joe Miles, Charles Miller

Others Present

Staff - Tim Hughes, Bill McCloskey, Nicole Ray, Keith L. Rogers

Guests- Bob Perry, University of Kentucky College of Agriculture

Notification of Press

Keith Rogers stated that the media had been notified.

Review and approval of Minutes of January 5, 2007

A motion to approve the January minutes was made by Mr. Jagers, seconded by Mr. Penn. The motion passed without dissent.

Executive Director's Report

Mr. Rogers stated that the Burton Livestock, LLC loan will be closing this afternoon.

Mr. Rogers congratulated Mr. Hunt on his reappointment to the KAFC Board.

Mr. Rogers notified the Board of developments with Kentucky BioProcessing and an application made to the Agricultural Development Board (ADB) for production of a nutraceutical from a plant called feverfew.

Mr. Rogers updated the Board of changes in the leadership of the Tobacco Settlement Funds Oversight committee.

Mr. Rogers notified the Board that the ADB voted to suspend the Premise I.D. requirement at their February 16th meeting.

Mr. Rogers reminded the Board about the Governor's Summit on Agriculture to be held on March 15th in Louisville and encouraged members to attend.

Mr. Rogers notified the Board that the ADB will receive a \$1.9 million payment in April and will budget those and other received funds at either the April or May ADB meeting. He stated that the KAFC Board may want to make an application to the ADB at that meeting.

Mr. Rogers reminded the Board that the next meeting will be held on April 13 instead of April 6 due to the Good Friday holiday.

Marketing and Business Development Coordinator's Report

Mr. Hughes brought the attention of the Board to the financial status report in the update folder. He stated that there is an available balance of \$6,159,169.68 and some funds are coming back in from previous loans. Mr. Hughes estimated that KAFC may run out of funds in July if additional funds are not received by the ADB and he suggested the Board present thoughts on a request to be made.

Presentation

Mr. Judge introduced Bob Perry, Food Systems Initiative Coordinator for the University of Kentucky College of Agriculture, who is making a presentation on "Market Maker, A Market Planning Tool for Kentucky Direct Marketers." Mr. Perry presented a slideshow about the program which is a cooperative effort between the Kentucky Department of Agriculture and the University of Kentucky. He then displayed the Market Maker web site (<http://www.marketmakerky.com>) and showed the Board how to search the site for agricultural producers and markets.

New Business

Loan applications

Agricultural Infrastructure Loan Program - Discussion and Action

Mr. Hughes presented the following loan applications:

AF06-0087 Charles K. and Linda Cornett - Applicants were approved for a \$41,000 KAFC loan on December 1, 2006 to build a swine finishing house. They have opted not to build the proposed project and instead request to reduce the loan amount to \$15,000 and construct a grain bin. **Mr. Proffitt moved to approve the request, Ms. Walters seconded the motion. The motion passed without dissent**

AF06-0091 Jerry C. and Gail Baird - Applicants request \$25,000 for construction of a rabbit facility in Daviess County. First Southern National Bank in Russellville is the participating lender. **Ms. Walters moved to approve the request, Mr. Reams seconded the motion. The motion passed without dissent.**

AF07-0001 Twin View Farm – Application is incomplete.

AF07-0002 Jonathan and Haley Turner – Applicants request \$75,000 for construction of three tobacco barns and a greenhouse in Trimble County. United Citizens Bank and Trust Company in Carrollton is the participating lender. **Mr. Penn moved to approve the request, Mr. Hunt seconded the motion. The motion passed without dissent.**

AF07-0003 Wimsatt Brothers Farms – Applicants requested \$35,000 for construction of a 25,000 bushel grain bin in Daviess County. Independence Bank in Henderson is the participating lender. The request was approved by staff on January 26,, 2007.

AF07-0004 Horn Family Farms – Applicant requested \$31,000 for the installation of a new drying system and grain handling equipment in Daviess County. Independence

Bank in Owensboro is the participating lender. The request was approved by staff on January 26, 2007.

AF07-0005 Cannon Farms – The participating lender was unfamiliar with the change in Board policy that became effective July 1, 2006 to not fund projects that have already begun construction. The application has been withdrawn.

AF07-0006 Roger and Brenda Stull – Applicants requested \$35,000 for construction of a 160' x 75' tobacco barn in Meade County. South Central Bank in Elizabethtown is the participating lender. The request was approved by staff on January 30, 2007.

AF07-0007 Nathan and Shelley Lovell – Applicants requested \$33,886.50 for construction of two tobacco barns in Muhlenberg County. Farm Credit Services of Mid-America in Hopkinsville is the participating lender. The request was approved by staff on February 2, 2007.

AF07-0008 Gary and Pam Jones – Applicants requested \$13,350 for construction of a 32' x 64' tobacco barn in Graves County. Regions Bank in Murray is the participating lender. The request was approved by staff on February 9, 2007.

AF07-0010 Harold Melton – Applicant has withdrawn the application.

AF07-0011 Cash Farms – Applicants were approved for a \$60,500 KAFC loan on September 1, 2006 for construction of a grain bin in Graves County and used only \$53,000 of the funds. They are making an additional request for \$47,000 to construct another grain bin. Jackson Purchase Agricultural Credit Association is the participating lender. **Mr. Jagers moved to approve the request, Mr. Proffitt seconded the motion. The motion passed without dissent.**

AF07-0012 Rachel and Steven Ball – Applicants request \$30,640 for construction of an equine riding arena in Garrard County. Central Kentucky Agricultural Credit Association is the participating lender. **Mr. Hunt moved to approve the request, Mr. Lawson seconded the motion. The motion passed without dissent.**

AF07-0013 John and Jeana Pike – Applicants requested \$40,000 for construction of a 60' x 132' cattle barn, trench silo and feedlot in Green County. Bank of Columbia in Columbia is the participating lender. The request was approved by staff on February 22, 2007 contingent upon the appraisal showing no worse than 50% loan-to-value.

Agricultural Processing Loan Program – Discussion and Action

Mr. Hughes updated the Board on the following applications:

AF07-0014 Jean Farris Winery & Bistro – Applicants request \$37,935.94 for the expansion of the current bistro kitchen in Fayette County. The Board did not vote on this request.

Beginning Farmer Loan Program – Discussion and Action

Mr. Hughes presented the following application:

AF07-0009 Brandon and Wendy Fields – Applicants request \$12,597 for the purchase of a 2002 Kubota tractor. Farm Credit Services of Mid-America in Elizabethtown is the participating lender. **Mr. Hunt moved to approve the request, Mr. Jagers seconded the motion. The motion passed without dissent.** Mr. Gaslin abstained from voting.

Old Business

No old business.

Other Business

No other business.

Closing Remarks

The motion to adjourn was made by Mr. Penn, seconded by Mr. Proffitt

The motion passed without dissent. The meeting adjourned at 11:44 am EST.